

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 959 – HB 1199

February 26, 2013

**SUMMARY OF ORIGINAL BILL:** Requires the state and all local governments selling property originally acquired by eminent domain to first offer for sale the property to the previous owner from whom the property was taken, or their ascertainable heirs who were living at the time the property was taken, when the acquired property was not utilized for its intended purposes and the condemning entity subsequently decides to sell the property within 10 years of being condemned or taken. Requires the original property owner or heirs to have a 30-day period to sign an agreement to purchase the property for the same amount of compensation paid by the condemning entity. Authorizes the condemning entity that acquired the property through eminent domain to offer for sale the property to the general public at fair market value following the end of the 30-day period extended to the previous owner or heirs. Requires all local governments to conduct public hearings, not in conjunction with a regularly scheduled local legislative meeting, before the use of eminent domain and to approve any use of eminent domain by a majority vote of the local legislative body.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$100,000/Recurring/Highway Fund  
Increase State Expenditures - \$10,000/Recurring/Highway Fund

Decrease Local Revenue – Exceeds \$10,000  
Increase Local Expenditures – Exceeds \$10,000/Mandatory\*  
Exceeds \$10,000/Permissive

**SUMMARY OF AMENDMENT (003784):** Deletes Sections 1-3 of the original bill and deletes language from the effective date clause. Rewrites Section 1 to require state and local governments selling property originally acquired by eminent domain to first offer the property to the previous owner from whom the property was taken. Requires the former property owner's right to terminate 10 years after the condemnation date or 1 year from the determination the property was not being used for its intended purpose or that it would be sold, whichever is later. This right does not transfer to the former property owner's heirs. Authorizes the former property owner to purchase the property for an amount representing not less than fair market value, including costs. Declares that if the former property owner has not purchased the land within 30 days, the property shall be offered for sale to the general public for an amount not less than fair market value.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

- According to the Department of Transportation (TDOT), the bill as amended would not fiscally impact the Department.
- The bill as amended would no longer require local government to hold public hearings, locate heirs of property owners, or sell previously-condemned property at the original purchase price.
- Offering land at fair market value to the original owner will not result in any significant fiscal impact to local governments.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jrh